



City of Seattle

Department of Planning and Development

Diane M. Sugimura, Director

MEMORANDUM

TO: Councilmember Sally Clark, Chair, COBE
Councilmember Sally Bagshaw
Councilmember Tim Burgess

FROM: Diane M. Sugimura, Director
Bob Laird, Director of Operations

DATE: April 9, 2010

SUBJECT: April 14 Committee Briefing: DPD Monthly Report, Focusing on Operations and Permitting

As requested at an earlier meeting of the Committee on the Built Environment, this month's report will focus on DPD's Operations Division and permitting activities.

Background on the Operations Division

The Operations division is by far the largest in the department, with 274 positions in the 2010 budget, two-thirds of the department. The Division performs a variety of permitting, inspection and licensing functions. The division includes personnel who process, review and inspect building, mechanical, electrical, side sewer, site, conveyance, pressure vessel, sign and land use permits. The division also performs annual inspections of conveyance and pressure vessels, and tests for and issues gas piping, boiler operator, refrigeration and air conditioning contractor licenses.

Last year was a very challenging year for the DPD Operations Division. We had two rounds of significant staff reductions and we saw our second consecutive year of steep declines in the value of construction intake and revenue from building permits. Although this year may be slightly better than last year, we are still not expecting significant changes in development activity. We are all too aware of the fact that Seattle has a large amount of vacant office space downtown and a large inventory of residential units. In 2009, DPD finalized (not necessarily starting construction in 2009) more residential units than ever before – 7,786 units. Looking back over 15 years, the next highest year was 2008 with 3,920 units. The good news is that 84% were in Urban Centers and Villages.



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Intake and Issuance Volume and Value

The number of building permit applications and revenues received in the first quarter of 2010 are holding steady, compared with last year. The value difference between the two years, however, is significant (\$444 million compared to \$302 million last year). A single project, the Sound Transit station at the University of Washington, represents a significant portion of that increase

Master Use Permit Process	2009, first quarter	2010, first quarter
Master Use Permit (MUP) applications	103	87
Early Design Guidance pre-submittals	9	8
Early Design Guidance applications	7	12*

*Includes 5 SF/duplex units in High Point Phase II

In the month of March we had 31 applications for MUPs, but half of the applications were platting actions rather than development projects. Thus, activity in Land Use remains low compared with normal years and remains slightly below our projections.

Project Review and Permit Issuance Performance

We are continuing to meet almost all of our permit review and issuance performance targets. For the first quarter –

- 48 hour initial review: 94% (goal = 80%)
- 2 week initial review: 83% (goal = 80%).
- 6 week initial review: 77% (goal = 70%)
- 120-day MUP decision: 83% (goal = 80%)
- 120-day construction permit, issued 87% (goal = 90%)
- 60-day simple construction permit, issued 98% (goal = 80%)

Performance in all areas has been affected by layoffs, however, we have one specific review location where performance has been particularly challenged due to the layoffs. We are exploring ways to improve our performance for that review location. For example, we are working with our supervisors and managers to more effectively manage reassignment of work from staff who have been let go, and to be nimble, balancing resources within workgroups to better account for changes in types of projects coming through the door.

In the MUP area, as with some construction projects, meeting publication or issuance targets has been affected by some applicants who are endeavoring to keep their projects alive, but are not in a rush to have the permit issued or decision published as that involves payment of additional fees and starts the clock running on the life of the permit.

Changes in Policy and Process Related to the Economic Downturn

An ever present tension in the permitting process is the balance between assisting applicants with moving projects forward and establishing minimum timeframes for the life of applications and issued permits, to help them extend their life in the interest of economic recovery. Several months ago we contacted MUP applicants, offering an opportunity to put their projects on hold if certain conditions were agreed to and met. In addition, as you know, DPD prepared legislation that extended the life of certain MUPs.

For building permit applications the code sets forth a very specific time period, one year, between the date an application is received and when that application must result in a permit being issued. The Building Official does have some latitude to extend that period by an additional year and we have been broadly interpreting the circumstances under which such an extension may be granted. The code also has specific conditions for the renewal and reestablishment of an issued permit, and we have been working with permit holders to help them keep issued permits alive.

We have also been receiving requests from owners, builders, realtors and others to do even more in this regard and we are trying to be as helpful as possible while still maintaining the integrity of the permitting process and ensuring the public health, safety and welfare considerations behind some of the time limits are respected.

Other Initiatives

2009 Technical Code Updates

DPD is in the process of updating Seattle Building, Residential, Mechanical, Energy, Existing Buildings, and Fuel Gas codes to the latest (2009) edition. Seattle amendments to the national and state codes are currently being reviewed by the Construction Codes Advisory Board (CCAB). We are planning to have the ordinances to the City Council in early June.

Green Permitting

In 2009 DPD rolled out a suite of incentives for applicants building green and energy efficient buildings. Following on the Green Building Task Force recommendations, DPD launched several programs, which expand the available incentives:

- *Green Q* – An expedited permitting process for green single-family and townhome projects (larger multifamily and commercial, 3Q 2010).
- *Priority Green Permitting* – A facilitated permitting process for projects incorporating innovative and sustainable design concepts.
- *Innovation Advisory Committee* – An advisory committee that works with applicants and DPD prior to construction application submittal to provide objective, technical input to reviewers regarding new and innovative technologies not currently recognized by technical code standards.
- *Living Building Pilot* – A demonstration program to assist developers seeking to meet the advanced sustainability standards set by the International Living Building Institute's Living Building Challenge. The pilot provides additional land use code departures through the design review program, and includes a technical advisory

group that works with the applicant to resolve technical issues with the project, issues that may influence the design of the structure.

- *Residential Deconstruction Permit* – a permit option that allows an applicant to get started on deconstruction of a residence while awaiting review of the building permit.

Electronic Plan Review

DPD will be launching a pilot of our new Electronic Plan Review System in late May or early June. The system will allow for the electronic submission of:

- All preliminary permit application materials, plans and supporting documentation
- Electronic scheduling of appointments and fee payments
- Electronic status tracking and permit revisions processes

Reviews will be assigned and accomplished electronically, allowing for simultaneous review of an application by all review disciplines. Work flow will be monitored by reports and dashboards.

One hundred of our regular applicants have agreed to participate in the pilot and 40 of them participated in recent feedback sessions, providing significant input on the external user interface. Feedback has been very positive and participants have expressed enthusiasm about the early iterations of the system.

Expected benefits of the system include shortened overall cycle times for permit applications, reduction in green house gas emissions as fewer trips to the department for intake appointments or other document submissions will occur, significant reductions in paper usage for both applicants and the City, printing cost savings to applicants by eliminating the need for multiple plan sets, streamlined processing, redirection of staff time from managing high volume paper flow to more substantive project management tasks. The pilot will be ongoing as we refine tools and systems, and to allow the public to adapt to an all-electronic system.

Land Use Process Improvements

The Land Use Program continues its efforts to identify, assess and implement improvements to the Master Use Permit process. Changes to the process for assigning and reviewing lot boundary adjustments, short plats and unit lot applications will go into effect in May, with the goal of reducing application processing time.

Work continues with SDOT to clarify and document the current Full Subdivision process, specifically to improve coordination between the two departments. Work will include a new Client Assistance Memo (CAM) to better inform the public of process requirements. The MUP Extension, and MUP Renewal and Revision CAMs are now available to the public.

We are also establishing performance expectations for Early Design Guidance and Design Review report turn-around times, identifying requirements for production monitoring, and developing report templates to be implemented at the end of the second quarter.

The Land Use Billing project, which will automatically result in the generation monthly billing statements, is moving into the first phase of IT testing. This work includes a number of changes to our Hansen database and coordinating fees between the labor collection system and the permit tracking system. Work flow procedures are also being developed to support this effort.

Inspections

We have developed a customer survey for our building inspection process and will be seeking feedback during the second quarter of this year.